



# Homeland Security

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## Written testimony of U.S. Department of Homeland Security Secretary Janet Napolitano for a Senate Committee on Appropriations, Subcommittee on Homeland Security hearing on the Department's Fiscal Year 2014 budget request

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Chairman Landrieu, Ranking Member Coats, and Members of the Subcommittee:

Let me begin by saying thank you to this Subcommittee for the strong support you have provided me and the Department over the past 4 years. I look forward to continuing to work with you in the coming year to protect the homeland and the American people.

I am pleased to appear before the Subcommittee today to present President Obama's Fiscal Year (FY) 2014 Budget Request for the Department of Homeland Security (DHS).

This year marks the 10th anniversary of the creation of DHS, the largest reorganization of the U.S. Government since the formation of the Department of Defense. After 10 years of effort, DHS has transformed 22 agencies from across the Federal Government into a single integrated Department, building a strengthened homeland security enterprise and a more secure America better equipped to confront the range of threats we face.

Our workforce of nearly 240,000 law enforcement agents, officers, and men and women on the frontlines put their lives at risk every day to protect our country from threats to the homeland, securing our land, air, and maritime borders; enforcing our immigration laws; and responding to natural disasters. Our employees are stationed in every state and in more than 75 countries around the world, engaging with state, local, and foreign partners to strengthen homeland security through cooperation, information sharing, training, and technical assistance. Domestically, DHS works side by side with state and [local](#)<sup>1</sup> law enforcement (SLE) and emergency responders in our communities, along our borders, and throughout a national network of fusion centers. The Department also collaborates with international partners, including foreign governments, major multilateral organizations, and global businesses to strengthen the security of the networks of global trade and travel, upon which our Nation's economy and communities rely.

DHS employs a risk-based, intelligence-driven approach to help prevent terrorism and other evolving security threats. Utilizing a multi-layered detection system, DHS focuses on enhanced targeting and information sharing, and on working beyond our borders to interdict threats and dangerous actors at the earliest point possible. Each day, DHS screens 2 million passengers at domestic airports; intercepts thousands of agricultural threats; expedites the transit of nearly 100,000 people through trusted traveler and known crewmember programs; and trains thousands of federal, state, local, rural, tribal, territorial, and international officers and agents through more than 550 basic and advanced training programs available at the Federal Law Enforcement Training Center (FLETC). We conduct vulnerability assessments of key infrastructure, disseminate intelligence regarding current and developing threats, and provide connectivity to federal systems to help local law enforcement and homeland security agencies across the country in reporting suspicious activities and implementing protective measures.

Our borders and ports are stronger, more efficient, and better protected than ever before. At the southwest border, apprehensions have decreased to the lowest point in more than 30 years. We have significantly invested in additional personnel, technology, and infrastructure, leading to historic progress along the border. We have deepened partnerships with federal, state, local, and international law enforcement to combat transnational threats and criminal organizations to help keep our border communities safe. We have strengthened entry procedures to protect against the use of fraudulent documents and the entry of individuals who may wish to do us harm. And we have made our ports of entry (POEs) more efficient to expedite lawful travel and trade. Each day, almost 1 million people arrive at our POEs by land, sea, and air. In FY 2012, DHS processed more than 350 million travelers at our POEs, including almost 100 million international air travelers and \$2.3 trillion dollars of trade, while enforcing U.S. laws that welcome travelers, protect health and safety, and facilitate the flow of goods essential to our economy.

DHS has focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process. We have established clear enforcement priorities to focus the enforcement system on the removal of individuals who pose a danger to national security or a risk to public safety, including aliens convicted of crimes, with particular emphasis on violent criminals, felons, and repeat offenders, while implementing a comprehensive worksite enforcement strategy to reduce demand for illegal employment and protect employment opportunities for the Nation's lawful workforce. DHS has implemented major reforms to the Nation's immigration detention system to enhance security and efficiency and protect the health and safety of detainees while expanding nationwide the Secure Communities program, which uses biometric information to identify criminal aliens in state and local correctional facilities. Over the past 4 years, the Department has also improved the legal immigration process by streamlining and modernizing immigration benefits processes; strengthening fraud protections; protecting crime victims, asylees, and refugees; updating rules to keep immigrant families together; and launching new initiatives to spur economic competitiveness.

Today, our borders are more secure and our border communities are among the safest communities in our country. We have removed record numbers of criminals from the United States, and our immigration laws are being enforced according to sensible priorities. We have taken numerous steps to strengthen legal immigration and build greater integrity into the system. We are using our resources smartly, effectively, responsibly.

Despite these improvements, however, our immigration system remains broken and outdated. That is why the Department stands ready to implement common-sense immigration reform that would continue investments in border security, crack down on companies that hire undocumented workers, improve the legal immigration system for employment-sponsored and family-sponsored immigrants, and establish a responsible pathway to earned citizenship. Comprehensive immigration reform will help us continue to build on this progress and strengthen border security by providing additional tools and enabling DHS to further focus existing resources on preventing the entry of criminals, human smugglers and traffickers, and national security threats.

Our Nation's critical infrastructure is crucial to our economy and security. DHS is the Federal Government's lead in securing unclassified federal civilian government networks as well as working with owners and operators of critical infrastructure to secure their networks and protect physical assets through risk assessment, mitigation, forensic analysis, and incident response capabilities. In 2012, DHS issued warnings and responded to an average of 70 incidents per month arising from more than 10,000 daily alerts. The President also issued an executive order on cybersecurity and a presidential policy directive on critical infrastructure security and resilience to strengthen the security and resilience of critical infrastructure against evolving threats through an updated and overarching national framework that acknowledges the interdependencies between cybersecurity and securing physical assets.

In support of these efforts, DHS serves as the focal point for the U.S. Government's cybersecurity outreach and awareness activities and is focused on the development of a world-class cybersecurity workforce as well as innovative technologies that sustain safe, secure, and resilient critical infrastructure. We work hand-in-hand with our private-sector partners, recognizing the importance of public-private partnerships to build resilience through a whole-of-community approach. In addition to these responsibilities, DHS combats cybercrime by leveraging the skills and resources of the law enforcement community and interagency partners to investigate and prosecute cyber criminals.

DHS has fundamentally changed how we work with our state and local partners to prepare for, respond to, recover from, and mitigate the effects of disasters. Through the Federal Emergency Management Agency (FEMA), we have implemented innovative practices to transform our disaster workforce through the creation of FEMA Corps and the DHS Surge Capacity Workforce. Working closely with state and local officials, we preposition resources before disasters hit and have 28 national urban search and rescue teams on standby in addition to dozens of state and local teams to support response efforts. We train more than 2 million emergency management and response personnel annually at the Emergency Management Institute, National Fire Academy, and through Community Emergency Response Teams to improve capabilities across all hazards. Additionally, we have deployed new capabilities to help disaster survivors recover and communities rebuild.

<sup>1</sup> "Local" law enforcement includes all law enforcement at the municipal, tribal, and territorial levels.

## Maximizing Efficiency and Effectiveness

The FY 2014 Budget for DHS is \$60.0 billion in total budget authority and \$48.5 billion in gross discretionary funding. These two amounts include \$5.6 billion in Disaster Relief Fund (DRF) appropriations for recovery from major disasters, pursuant to the Budget Control Act. Excluding the \$5.6 billion funding within the DRF, the net discretionary total is \$39 billion.

### **Realizing Efficiencies and Streamlining Operations**

The Department has implemented a variety of initiatives to cut costs, share resources across Components, and consolidate and streamline operations wherever possible. In FY 2014, these initiatives will result in \$1.3 billion in savings from administrative and mission support areas, including contracts, information technology (IT), travel, personnel moves, overtime, directed purchasing, professional services, and vehicle management.

Through the Department-wide, employee-driven Efficiency Review (ER), which began in 2009, as well as other cost-saving initiatives, DHS has identified more than \$4 billion in cost avoidances and reductions, and redeployed those funds to mission-critical initiatives across the Department.

### *Strategic Sourcing*

Through ER and Component initiatives, DHS has used strategic sourcing initiatives to leverage the purchasing power of the entire

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Department for items such as language services, tactical communications services and devices, intelligence analysis services, and vehicle maintenance services. In FY 2012, we achieved \$368 million in savings, and we project \$250 million in savings for FY 2013. We expect a comparable level of savings as we continue forward with this approach in FY 2014.

#### *Travel and Conferences*

In support of the Administration's Campaign to Cut Waste, DHS strengthened conference and travel policies and controls to reduce travel expenses, ensure conferences are cost-effective, and ensure both travel and conference attendance is driven by critical mission requirements. During 2012, DHS issued a new directive that establishes additional standards for conferences and requires regular reporting on conference spending, further increasing transparency and accountability. The Department's FY 2014 budget projects an additional 20-percent reduction in travel costs from FYs 2013–2016.

#### *Real Property Management*

DHS manages a real property portfolio of approximately 38,000 assets, which spans all 50 states and 7 U.S. territories. The Department has adopted strategies to achieve greater efficiencies in the management of its real property portfolio that includes expediting the identification and disposal of under-utilized assets as well as improving the utilization of remaining Department inventory. These efforts will result in reductions in the size of our civilian real estate inventory, annual operating and maintenance costs, and energy usage. DHS anticipates that the amount of space and cost per full-time equivalent employee will continue to decline as spaces are reconfigured or new space is acquired on the basis of new workplace planning assumptions. DHS is committed to continuing to improve the management and alignment of its real property with advances in technology, mission, and work requirements.

#### **Management and Integration**

Over the past 4 years, DHS has significantly improved departmental management, developing and implementing a comprehensive, strategic approach to enhance Department-wide maturation and integration. We have improved acquisition oversight, ensuring full consideration of the investment life cycle in cost estimates, establishing procedures to thoroughly vet new requirements and alternative solutions, and supporting full funding policies to minimize acquisition risk. The FY 2014 Budget includes key investments to strengthen the homeland security enterprise, increase integration, address challenges raised by the U.S. Government Accountability Office (GAO), and continue to build upon the management reforms that have been implemented under this Administration.

Modernization of the Department's financial management systems has been consistently identified as critical by the Office of Management and Budget, the GAO, and Congress, and is vital to our ability to provide strong stewardship of taxpayer dollars. Over the past several years, we have made significant progress improving financial management practices and establishing internal controls. In 2012, DHS earned a qualified audit opinion on its Balance Sheet, a significant milestone and a pivotal step toward increasing transparency and accountability for the Department's resources. This full-scope audit opinion is a result of DHS's ongoing commitment to instituting sound financial management practices to safeguard taxpayer dollars.

Although DHS continues to maximize cost efficiencies and savings wherever possible, new investment must be made to improve our outdated financial systems and tools. The FY 2014 Budget supports financial system modernization at the U.S. Coast Guard (USCG), which also provides financial management services to two other DHS Components.

DHS is also implementing a coordinated management approach for strategic investments and resource decisions involving multiple Components through the Integrated Investment Life Cycle Model. This initiative will help the Department enhance mission effectiveness while achieving management efficiencies by providing a broader, enterprise-wide perspective and ensuring DHS investments address the greatest needs of the Department.

#### **Strategic Re-Organizations**

In today's fiscal environment, the Department has challenged its workforce to fundamentally rethink how it does business, from the largest to the smallest investments. To help reduce costs, DHS conducted a formal base budget review, looking at all aspects of the Department's budget to find savings and better align resources with operational requirements.

#### *United States Visitor and Immigrant Status Indicator Technology (US-VISIT)*

To better align the functions of US-VISIT with the operational Components, the Budget re-proposes the transfer of US-VISIT functions from the National Protection and Programs Directorate (NPPD) to U.S. Customs and Border Protection (CBP), consistent with the President's FY 2013 Budget. Currently, CBP operates numerous screening and targeting systems, and integrating US-VISIT within CBP will strengthen the Department's overall vetting capability while also realizing operational efficiencies and cost savings.

#### *State and Local Grants*

Given the fiscal challenges facing the Department's state and local partners, DHS is also approaching these partnerships in new and innovative ways. The Budget re-proposes the National Preparedness Grant Program (NPGP), originally presented in the FY 2013 Budget, to develop, sustain, and leverage core capabilities across the country in support of national preparedness, prevention, and response, with appropriate adjustments to respond to stakeholder feedback in 2012. While providing a structure that will give grantees more certainty about how funding will flow, the proposal continues to utilize a comprehensive process for assessing regional and national gaps; support the development of a robust cross-jurisdictional and readily deployable state and local assets; and require grantees to regularly report progress in the acquisition and development of these capabilities.

#### *Land Port of Entry (LPOE) Delegation*

Beginning in FY 2013, the General Services Administration (GSA) will work with DHS to delegate the operations of LPOE facilities to CBP. The distinctive nature of LPOEs as mission-oriented, 24/7 operational assets of CBP, as well as national trade and transportation infrastructure, differentiates this part of the portfolio from other federal buildings managed by GSA. The delegation facilitates faster delivery of service tailored to the specific needs of CBP's mission and will be more responsive to changing priorities and critical operations.

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**DHS Commonality Efforts**

The successful integration of 22 legacy agencies into DHS was an important and ambitious undertaking that has increased the Department's ability to understand, mitigate, and protect against threats to the Nation. Further integration of the Department and of the development of a "One-DHS" culture will strengthen effectiveness, improve decision making to address shared issues, and prioritize resources in an era of fiscal constraint. The FY 2014 Budget continues this emphasis and supports ongoing efforts aimed at furthering integration, some of which are highlighted as follows.

*Common Vetting*

It is estimated that DHS spends approximately \$1.8 billion annually on information-based screening. Consequently, DHS has established a Common Vetting Initiative to improve the efficiency and effectiveness of vetting operations within the Department. Although this work is ongoing, it is expected that this effort will identify opportunities for streamlining operations and strengthening front-end assessment of requirements as part of an integrated investment life cycle.

Additionally, DHS is leveraging existing capabilities and its research and development (R&D) capabilities at the Science and Technology Directorate (S&T) to enhance the Department's exit program, and to identify and sanction those who overstay their lawful period of admission to the United States. This initiative is focused on aggregating information within existing data systems, enhancing review of potential overstays, increasing automated matching, and incorporating additional biometric elements to provide the foundation for a future biometric exit solution. The transfer of US-VISIT functions to CBP and U.S. Immigration and Customs Enforcement (ICE) supports this effort and better aligns mission functions.

*Aviation Commonality*

The Department is projected to spend approximately \$1.2 billion over FYs 2014–2018 on procurement of aviation assets. In 2011, DHS stood up an aviation commonalities working group to improve operational coordination in acquisition, facilities, maintenance, and logistics between CBP and USCG. The Department also launched an Aviation and Marine Commonalities Pilot Project in the fall of 2012 to test the unified command and control of departmental aviation and marine forces. Complementing this effort, DHS recently began an ER initiative, which will increase cross-Component collaboration for aviation-related equipment and maintenance by establishing excess equipment sharing, maintenance services, and contract teaming agreements, as well as other opportunities for aviation-related efficiencies.

*Investigations*

A recent partnership between ICE's Homeland Security Investigations and the U.S. Secret Service (USSS) demonstrates the Department's commitment to leveraging capabilities across Components and finding efficiencies. Both ICE and USSS are expanding participation in the existing Secret Service Electronic Crimes Task Forces (ECTFs), which will strengthen the Department's cybercrimes investigative capabilities and realize efficiencies in the procurement of computer forensic hardware, software licensing, and training. This collaboration will integrate resources devoted to investigating transnational criminal organizations; transnational child exploitation; financial crime, including money laundering and identity and intellectual property theft; and network intrusions by domestic and international threats. This will further enhance the response capability of the Department to a cyber event by leveraging the assets of the Secret Service's 31 ECTFs, which bring together more than 2,700 international, federal, state, and local law enforcement partners; 3,100 private-sector members; and 300 academic partners.

*CBP Staffing and Mission Integration*

Given the Administration's strong and continued focus on border security, DHS has undertaken a series of initiatives to ensure that CBP's operations are integrated and that Border Patrol Agents (BPAs) and CBP Officers (CBPOs) are optimally deployed. As part of its mission integration efforts, CBP has applied complementary BPA and CBPO deployments to enhance mission sets both at and between the POEs. Toward this goal, CBP has identified numerous mission areas where BPAs can substantially support: port operations, including canine detection operations for drugs and concealed humans; outbound operations that target currency, firearms, and fugitives; port security, counter-surveillance, and perimeter enforcement operations; inbound secondary conveyance inspections for narcotics and human smuggling. CBP has also identified mission areas where BPAs secure and transport seized contraband.

CBP is realizing significant operational and force-multiplying benefits from deploying BPAs to support POE requirements. Over the last year, these efforts have augmented POE operations, enabling CBP to more effectively address the threat of money and weapons being smuggled southbound into Mexico for use by transnational criminal organizations. In 2013, CBP is expanding these efforts by synchronizing mission integration efforts across the four key southwest border operational corridors: South Texas, El Paso/New Mexico, Arizona, and Southern California. The harmonization of current efforts will increase rapid response capability, develop unified intelligence and targeting approaches, and identify additional areas for on-the-ground operational collaboration.

**Supporting Economic Growth and Job Creation**

In support of the President's executive order on travel and tourism and to continue building upon the Administration's significant investments in border security, the FY 2014 Budget includes several proposals to invest in the men and women on the frontlines of our 329 POEs along the border and at airports and seaports across the country. Processing the more than 350 million travelers annually provides nearly \$150 billion in economic stimulus, yet the fees that support these operations have not been adjusted in many cases for more than a decade. As the complexity of our operations continues to expand, the gap between fee collections and the operations they support is growing, and the number of workforce hours fees support decreases each year. Accordingly, the Budget supports 3,477 new CBPOs to reduce growing wait times at our POEs and increase seizures of illegal items (guns, drugs, currency, and counterfeit goods). This includes appropriated funding for 1,600 additional CBPOs and, with congressional approval, 1,877 new CBPOs through adjustments in immigration and customs inspections user fees to recover more of the costs associated with providing services. These fee proposals will also help address the staffing gap outlined in CBP's Resource Optimization at Ports of Entry, FY 2013 Report to Congress, submitted with the President's Budget. In addition, CBP and the U.S. Department of Agriculture are evaluating financial models to achieve full cost recovery for agricultural inspectional services provided by CBP.

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Beyond the additional frontline positions, the President's Budget also provides direct support for thousands of new jobs through major infrastructure projects such as the National Bio and Agro-Defense Facility (NBAF) and a consolidated departmental headquarters at the St. Elizabeths Campus. Investment in USCG recapitalization projects supports more than 4,000 jobs as well in the shipbuilding and aircraft industries. Through our grant programs we will continue helping local communities to create and maintain jobs, while strengthening the resiliency of important economic sectors and infrastructure. The Budget additionally supports CBP and ICE efforts to combat commercial trade fraud, including intellectual property law infringement, estimated to cost the economy up to \$250 billion each year. Continued investment in Coast Guard frontline operations and recapitalization of its aging fleet helps to protect the Nation's Exclusive Economic Zone, a source of \$122 billion in annual U.S. revenue, and to secure 361 ports and thousands of miles of maritime thoroughfares that support 95 percent of trade with the United States. Through CBP and the Transportation Security Administration (TSA), we continue to promote safe and secure travel and tourism, supporting a \$2.3 trillion dollar tourism industry. These programs, among others, enhance our Nation's safety and security while fostering economic growth and job creation.

## Budget Priorities

The FY 2014 Budget prioritizes programs and activities within the homeland security mission areas outlined in the Department's 2010 Quadrennial Homeland Security Review, the 2010 Bottom-Up Review, and the FY 2012-2016 DHS Strategic Plan, undertaken by the Department to align its DHS resources with a comprehensive strategy to meet the Nation's homeland security needs.

The Budget builds on the progress the Department has made in each of its mission areas while strengthening existing capabilities, enhancing partnerships across all levels of government and with the private sector, streamlining operations, and increasing efficiencies.

**Mission 1: Preventing Terrorism and Enhancing Security** – Protecting the United States from terrorism is the cornerstone of homeland security. DHS's counterterrorism responsibilities focus on three goals: preventing terrorist attacks; preventing the unauthorized acquisition, importation, movement, or use of chemical, biological, radiological, and nuclear materials and capabilities within the United States; and reducing the vulnerability of critical U.S. infrastructure and key resources, essential leadership, and major events to terrorist attacks and other hazards.

**Mission 2: Securing and Managing Our Borders** – The protection of the Nation's borders—land, air, and sea—from the illegal entry of people, weapons, drugs, and other contraband while facilitating lawful travel and trade is vital to homeland security, as well as the Nation's economic prosperity. The Department's border security and management efforts focus on three interrelated goals: effectively securing U.S. air, land, and sea borders; safeguarding and streamlining lawful trade and travel; and disrupting and dismantling transnational criminal and terrorist organizations.

**Mission 3: Enforcing and Administering Our Immigration Laws** – DHS is focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process. The Department has fundamentally reformed immigration enforcement, focusing on identifying and removing criminal aliens who pose a threat to public safety and targeting employers who knowingly and repeatedly break the law.

**Mission 4: Safeguarding and Securing Cyberspace** – DHS is responsible for securing unclassified federal civilian government networks and working with owners and operators of critical infrastructure to secure their networks through risk assessment, mitigation, and incident response capabilities. To combat cybercrime, DHS leverages the skills and resources of the law enforcement community and interagency partners to investigate and prosecute cyber criminals. DHS also serves as the focal point for the U.S. Government's cybersecurity outreach and awareness efforts to create a more secure environment in which the private or financial information of individuals is better protected.

**Mission 5: Ensuring Resilience to Disasters** – DHS coordinates the comprehensive federal efforts to prepare for, protect against, respond to, recover from, and mitigate a terrorist attack, natural disaster, or other large-scale emergency, while working with individuals; communities; the private and nonprofit sectors; faith-based organizations; and federal, state, local, territorial, and tribal (SLTT) partners to ensure a swift and effective recovery. The Department's efforts to help build a ready and resilient Nation include fostering a whole community approach to emergency management nationally; building the Nation's capacity to stabilize and recover from a catastrophic event; bolstering information sharing and building unity of effort and common strategic understanding among the emergency management team; providing training to our homeland security partners; and leading and coordinating national partnerships to foster preparedness and resilience across the private sector.

In addition to these missions, DHS strives to maximize the effectiveness and efficiency of its operations while strengthening the homeland security enterprise. The collective efforts of federal, SLTT, non-governmental, and private-sector partners, as well as individuals and communities across the country are critical to our shared security. This includes enhancing shared awareness of risks and threats, building capable, resilient communities and fostering innovative approaches and solutions through cutting-edge science and technology.

The following are highlights of the FY 2014 Budget.

### **Preventing Terrorism and Enhancing Security**

Guarding against terrorism was the founding mission of DHS and remains our top priority. To address evolving terrorist threats and ensure the safety of the traveling public, the Budget safeguards the Nation's transportation systems through a layered detection system and continues to support risk-based security initiatives, including TSA Pre?™, Global Entry, and other trusted traveler programs. The Budget supports Administration efforts to secure maritime cargo and the global supply chain by strengthening efforts to prescreen and evaluate high-risk cargo. Investments in DHS's intelligence and targeting programs coupled with the expansion of the National Targeting Center, supported by the Budget, will increase operational efficiencies and enhance our ability to interdict threats and dangerous people before they reach the United States.

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Funding is included for cutting-edge R&D to address evolving biological, radiological, and nuclear threats. Among the important research investments is the construction of NBAF, a state-of-the-art bio-containment facility for the study of foreign animal and emerging zoonotic diseases that will replace the inadequate facility at Plum Island. The Budget funds the Securing the Cities (STC) program to protect our highest-risk cities from radiological or nuclear attack and continues national bio-preparedness and response efforts. The Budget also continues strong support for state and local partners through the NPGP, training, fusion centers, and intelligence analysis and information sharing on a wide range of critical homeland security issues.

- **Strengthening Risk-Based Aviation Security:** The FY 2014 Budget supports DHS's effort to employ risk-based, intelligence-driven operations to prevent terrorist attacks and to reduce the vulnerability of the Nation's aviation system to terrorism. These security measures create a multi-layered system to strengthen aviation security from the time a passenger purchases a ticket to arrival at his or her destination. The FY 2014 Budget:
  - Continues expansion of trusted traveler programs, such as TSA Pre?™ and Global Entry, which are pre-screening initiatives for travelers who volunteer information about themselves before flying in order to potentially expedite screening at domestic checkpoints and through customs. By 2014, TSA anticipates that one in four members of the traveling public will be eligible for expedited domestic screening.
  - Continues enhanced behavior detection in which interview and behavioral analysis techniques are used to determine if a traveler should be referred for additional screening at the checkpoint. Analyses from pilots in FY 2013 will inform the next steps on how larger-scale implementation in FY 2014 could improve capabilities in a risk-based security environment.
  - Expands Secure Flight to perform watch list matching for passengers before boarding large general aviation aircraft. An estimated 11 million additional Secure Flight Passenger Data sets are expected to be submitted by general aviation operators per year.
  - Supports, as part of its multi-layered security strategy, the Federal Flight Deck Officer and Flight Crew program as a fully reimbursable program under FLETC's existing authorities.
  - Prioritizes TSA's mission-critical screening functions, and proposes the transfer of all exit lane staffing to local airports pursuant to federal regulatory authorities. Airports will be responsible for integrating exit lane security into their perimeter security plans, which are assessed regularly by TSA.
- **Enhancing International Collaboration:** To most effectively carry out our core missions, DHS continues to engage countries around the world to protect both national and economic security. The FY 2014 Budget supports DHS's strategic partnerships with international allies and enhanced targeting and information-sharing efforts to interdict threats and dangerous people and cargo at the earliest point possible. The Secretary's focus on international partnerships includes elevating the Office of International Affairs to a stand-alone office and a direct report. The FY 2014 Budget:
  - Supports the Immigration Advisory Program and the continued growth of the Pre-Departure Vetting, which have experienced a 156-percent increase in the number of no board recommendations since 2010. Through these programs, CBP identifies high-risk travelers who are likely to be inadmissible into the United States and makes recommendations to commercial carriers to deny boarding.
  - Continues to modernize the IT capability for screening visa applications to support the expansion of Visa Security Program (VSP) coverage at existing overseas high-risk visa adjudication posts. The VSP represents ICE's front line in protecting the United States against terrorists and criminal organizations by preventing foreign nationals who pose a threat to national security from entering the United States. In FY 2014, VSP will enhance visa vetting by increasing automated data exchange with the Department of State and CBP's National Targeting Center. ICE will leverage modernization to increase investigations of visa applicants who pose a potential high risk for terrorism and are attempting to travel to the United States.
  - Supports the bilateral Beyond the Border Action Plan with Canada, including CBP's pre-inspection efforts in rail, land, and marine environments. Pre-inspection is a precursor to preclearance, which supports DHS's extended border strategy through the identification and prevention of terrorists, criminals, and other national security threats before they enter the United States. Pre-inspection/preclearance also helps protect U.S. agriculture from the spread of foreign pests, disease and global outbreaks.
- **Supporting Surface Transportation Security:** The surface transportation sector, due to its open access architecture, has a fundamentally different operational environment than aviation. Accordingly, DHS helps secure surface transportation infrastructure through risk-based security assessments, critical infrastructure hardening, and close partnerships with SLLE partners. The FY 2014 Budget supports DHS's efforts to bolster these efforts. Specifically, the Budget:
  - Includes the NPGP, described in more detail on the following pages. This proposal focuses on building national capabilities focused on preventing and responding to threats across the country, including the surface transportation sector, through Urban Search and Rescue teams, canine explosives detection teams, and HAZMAT response as well as target hardening of critical transit infrastructure.
  - Funds surface transportation security inspectors and canine teams who work collaboratively with public and private-sector partners to strengthen security and mitigate the risk to our Nation's transportation systems.
  - Supports compliance inspections throughout the freight rail and mass transit domains, critical facility security reviews for pipeline facilities, comprehensive mass transit assessments that focus on high-risk transit agencies, and corporate security reviews conducted in multiple modes of transportation to assess security.
  - Funds 37 Visible Intermodal Prevention and Response (VIPR) teams, including 22 multi-modal Teams. VIPR teams are composed of personnel with expertise in inspection, behavior detection, security screening, and law enforcement for random, unpredictable deployments throughout the transportation sector to prevent potential terrorist and criminal acts.
  - Helps secure critical infrastructure and key resources located on or near the water through patrols, enforcing security zones and security escorts of certain vessels (e.g., vessels containing hazardous cargo) in key U.S. ports and waterways.
- **Strengthening Global Supply Chain Security:** The FY 2014 Budget continues to support the Administration's Global Supply Chain Security Strategy, which provides a national vision for global supply chain security that is secure, efficient, and resilient across air,

land, and sea modes of transportation. The Budget:

- Supports increased targeting capability through enhanced automated systems providing CBP with real-time information to focus its enforcement activities on higher-risk passengers and cargo.
- Supports the consolidation of CBP's separate cargo and passenger targeting locations, which will promote increased targeting efficiencies and reduced delays of travelers and cargo.
- Strengthens the Container Security Initiative, enabling CBP to prescreen and evaluate high-risk containers before they are shipped to the United States.
- Continues support to improve the coordination of international cargo security efforts, accelerate security efforts in response to vulnerabilities, ensure compliance with screening requirements, and strengthen aviation security operations overseas.
- Supports ongoing assessments of anti-terrorism measures in the ports of our maritime trading partners through the Coast Guard International Port Security Program.
- Supports enhanced system efficiency through continued development and deployment of the International Trade Data System. This important resource provides a single automated window for submitting trade information to the federal agencies responsible for facilitating international trade and securing America's supply chain.
- **Research, Development, and Innovation (RD&I) at S&T:** The FY 2014 Budget includes \$467 million for RD&I, a \$200 million increase from FY 2012 enacted levels. This funding includes support for unclassified cybersecurity research that supports the public and private sectors and the global Internet infrastructure. It also allows S&T to resume R&D in areas such as land and maritime border security; chemical, biological, and explosive defense research; disaster resilience; cybersecurity; and counterterrorism.
- **Support to SLLE:** The FY 2014 Budget continues support for SLLE efforts to understand, recognize, prevent, and respond to pre-operational activity and other crimes that are precursors or indicators of terrorist activity through training, technical assistance, exercise support, security clearances, connectivity to federal systems, technology, and grant funding. The Budget supports efforts to share intelligence and information on a wide range of critical homeland security issues. The Budget continues to build state and local analytic capabilities through the National Network of Fusion Centers, with a focus on strengthening cross-Department and cross-government interaction with fusion centers. It also elevates the Office of State and Local Law Enforcement to a stand-alone office. The Budget:
  - Enables DHS to continue to assess capability development and performance improvements of the National Network of Fusion Centers through an annual assessment, collection of outcomes-based performance data, and targeted exercises. Resources also enable the Office of Intelligence and Analysis, in partnership with the Office for Civil Rights and Civil Liberties and the Privacy Office, to provide privacy and civil rights and civil liberties training and technical assistance support for fusion centers and their respective liaison officer programs. Additionally, unique partnerships with FEMA, NPPD, USCG, and ICE have facilitated additional analytic training for fusion center analysts on a variety of topics.
  - Continues to support SLTT efforts to counter violent extremism, including the delivery of Building Communities of Trust initiative roundtables, which focus on developing trust between community leaders and law enforcement officials so they cooperatively address the challenges of crime and terrorism.
  - Expands, in partnership with the Departments of Justice (DOJ), Education, and Health and Human Services, ongoing efforts to prevent future mass casualty shootings, improve preparedness, and strengthen security and resilience in schools and other potential targets while working with partners at all levels of government.
- **Biological, Radiological, and Nuclear Threat Detection:** Countering biological, nuclear, and radiological threats requires a coordinated, whole-of-government approach. DHS, through the Domestic Nuclear Detection Office (DNDO) and the Office of Health Affairs, works in partnership with agencies across federal, state, and local governments to prevent and deter attacks using radiological and nuclear (rad/nuc) weapons through nuclear detection and forensics programs and provides medical and scientific expertise to support bio-preparedness and response efforts.

The FY 2014 Budget supports the following efforts:

- **Global Nuclear Detection Architecture (GNDA):** DNDO, in coordination with other DHS Components, the Attorney General, and the Departments of State, Defense, and Energy, leads the continued evolution of the GNDA. This comprehensive framework incorporates detector systems, telecommunication, and personnel, with the supporting information exchanges, programs, and protocols that serve to detect, analyze, and report on rad/nuc materials that are not in regulatory control.
- **STC:** \$22 million is requested for the STC program to continue developing the domestic portion of the GNDA to enhance the Nation's ability to detect and prevent a radiological or nuclear attack in our highest-risk cities.
- **Transformational R&D:** Funding is requested to develop and demonstrate scientific and technological approaches that address gaps in the GNDA and improve the performance of rad/nuc detection and technical nuclear forensic capabilities. R&D investments are made on the basis of competitive awards, with investigators in all sectors—government laboratories, academia, and private industry—encouraged to participate.
- **Rad/Nuc Detection:** Supports the procurement and deployment of Radiation Portal Monitors and Human Portable Radiation Detection Systems, providing vital detection equipment to CBP, USCG, and TSA to scan for rad/nuc threats.
- **BioWatch:** Continues operations and maintenance of the federally managed, locally operated, nationwide bio-surveillance system designed to detect the release of aerosolized biological agents.
- **NBAF:** The Budget provides full funding for the construction of the main laboratory at NBAF when coupled with the increased cost share from the State of Kansas. This innovative federal-state partnership will support the first Bio Level 4 lab facility of its kind, a state-of-the-art bio-containment facility for the study of foreign animal and emerging zoonotic diseases that is central to the protection of the Nation's food supply as well as our national and economic security.

In partnership with the State of Kansas, DHS is committed to building a safe and secure facility in Manhattan, Kansas. The main laboratory facility includes enhanced safety and security features to ensure research conducted within the facility will be contained, ultimately protecting the surrounding region and the Nation's food supply. These features, which are incorporated into the current NBAF design and address safety recommendations of the National Academies of Sciences, include specialized air and water decontamination systems, new technologies to handle solid waste on site, and structural components to strengthen the laboratory against hazardous weather conditions.

Funding is also provided for life and safety infrastructure repairs at Plum Island Animal Disease Center while NBAF is being built, to ensure an appropriate transition of research from Plum Island, New York, to Manhattan, Kansas.

#### **Securing and Managing Our Borders**

The Budget continues the Administration's robust border security efforts, while facilitating legitimate travel and trade. It sustains historic deployments of personnel along U.S. borders as well as the continued utilization of proven, effective surveillance technology along the highest-trafficked areas of the southwest border to continue achieving record levels of apprehensions and seizures. In support of the President's executive order on travel and tourism, the Budget funds a record number of CBPOs through appropriated funds and proposed increases to user fee rates, to expedite travel and trade while reducing wait times at more than 300 POEs along the border and at airports and seaports across the country. Increased POE staffing of 1,600 CBPOs funded through appropriations and 1,877 CBPOs funded through user fee increases will have a direct impact on the economy. On the basis of a study conducted by the National Center for Risk and Economic Analysis of Terrorism Events - University of Southern California, initial estimates indicate that for every 1,000 CBPOs added, the United States can anticipate a \$2 billion increase in gross domestic product. That research indicates that these additional CBPOs may result in approximately 110,000 more jobs and a potential increase of \$6.95 billion in gross domestic product.

To secure the Nation's maritime borders and 3.4 million nautical square miles of maritime territory, the Budget invests in recapitalization of USCG assets and provides operational funding for new assets coming on line, including National Security Cutters (NSCs), Fast Response Cutters (FRCs), Response Boats-Medium, Maritime Patrol Aircraft, and Command and Control systems.

- *Law Enforcement Officers:* The Budget supports 21,370 BPAs and a record 25,252 CBPOs at POEs who work with federal, state, and local law enforcement to target illicit networks trafficking in people, drugs, illegal weapons, and money and to expedite legal travel and trade. This includes funds from proposed increases to inspection user fees.
- *Travel and Trade:* In 2012, President Obama announced new administrative initiatives through Executive Order 13597 to increase travel and tourism throughout and to the United States, and DHS plays an important role in this work. As discussed in the highlights section, DHS is continuing to develop new ways to increase the efficiency of our port operations and to make international travel and trade easier, more cost-effective and more secure.
- *Technology:* Funding is requested to support the continued deployment of proven, effective surveillance technology along the highest trafficked areas of the southwest border. Funds will be used to procure and deploy commercially available technology tailored to the operational requirements of the Border Patrol, the distinct terrain, and the population density within Arizona.
- *Tethered Aerostat Radar System (TARS):* DHS will take over operations of TARS beginning in FY 2014. TARS is a multi-mission capability that supports both the counterdrug and air defense missions, providing long-range detection and monitoring of low-level air, maritime, and surface narcotics traffickers.
- *Targeting and Analysis:* The Budget includes additional investments in CBP's targeting capabilities, which will enable CBP to develop and implement an enhanced strategy that more effectively and efficiently divides cargo and travelers according to the potential threat they pose.
- *POE Infrastructure:* CBP, working with its various partners including GSA, continues to modernize and maintain border infrastructure that both facilitates trade and travel, and helps secure the border. In FY 2014, CBP will work with GSA to complete the last phase of the Nogales-Mariposa inspection facility and initiate the site acquisition and design for the southbound phase of the San Ysidro modernization project. Additionally, CBP will work with GSA to initiate construction of a new bus processing terminal at the Lincoln-Juarez Bridge and renovation of the passenger and pedestrian processing facility at the Convent Street inspection facility in Laredo, Texas. Beginning in late FY 2013 and continuing in FY 2014, CBP will assume responsibility for the building operations, maintenance, and repair of the land port inspection facilities from GSA to streamline administrative processes and improve the responsiveness to CBP mission requirements. Finally, CBP proposes legislative authority in the FY 2014 Budget to accept donations from the private sector.
- *CBP Air and Marine Procurement:* Funding is requested for two KA-350CER Multi-Role Enforcement Aircraft (MEA), which provide direct support to CBP efforts to secure our Nation's borders. Unlike the older, less-capable aircraft they are replacing, MEA has the capabilities to detect, track, and intercept general aviation threats; detect and track maritime threats over a wide area; and support ground interdiction operations through a variety of sensors and advanced data and video down-link.
- *Collect Customs Revenue:* Funds are requested to support CBP's role as a revenue collector for the U.S. Treasury; customs revenue remains the second largest source of revenue for the Federal Government. CBP relies on bonds to collect duties owed when importers fail to pay and efforts to collect from the importer are not successful. This funding will support improvements to increase the efficacy of CBP's bonding process, including the delegation to a centralized office the responsibility for developing and implementing Single Transaction Bond (STB) policy, approving bond applications, reporting on activities, and monitoring results. These resources will fund the automation of STB processing and record keeping and provide effective internal controls that protect the duties and taxes (more than \$38 billion in 2012) collected by CBP. Specifically, CBP will automate and centralize into one location processing of all STBs, resulting in enhanced program oversight, consistent processing, and reduced write-offs and delinquencies.
- *Protect Trade and Intellectual Property Rights Enforcement:* Funding is requested to support intellectual property and commercial trade fraud investigations within ICE's National Intellectual Property Rights Coordination Center (IPR Center). With 21 partners and the expertise of the Federal Government's largest law enforcement agencies, the IPR Center brings together the full range of legal

authorities and law enforcement tools to combat intellectual property theft, including medical regulation; patent, trademark, and copyright protection; border enforcement; organized crime investigations; and undercover operations. ICE will also increase collaboration with CBP through a joint fraud enforcement strategy to coordinate commercial fraud enforcement operations. The FY 2014 Budget also supports CBP's enforcement programs to prevent trade in counterfeit and pirated goods, and to protect consumers and national security from harm from counterfeit goods through special enforcement operations to increase IPR seizures and referrals for criminal investigation. In addition, the FY 2014 Budget supports technology and training to increase the efficiency of targeting IPR infringing merchandise.

- *USCG Recapitalization:* The FY 2014 request fully funds a seventh NSC; supports patrol boat recapitalization through the FRC acquisition; continues acquisitions of the Offshore Patrol Cutter and a new polar ice breaker; and provides for critical upgrades to command, control, and aviation sustainment. The total request for USCG Acquisition, Construction, and Improvements is \$951 million.
- *USCG Operations:* The FY 2014 request funds nearly 50,000 full-time personnel and nearly 7,000 reservists to maintain safety, security, and stewardship of our Nation's waters and maritime borders. Funds will support a full range of Coast Guard cutters, aircraft, and boats to address threats from inside the ports, within customs waters and out on the high seas.

#### **Enforcing and Administering our Immigration Laws**

In the area of immigration, the Budget supports the Administration's unprecedented efforts to more effectively focus the enforcement system on public safety threats, border security, and the integrity of the immigration system while streamlining and facilitating the legal immigration process. Initiatives such as Deferred Action for Childhood Arrivals and greater use of prosecutorial discretion, where appropriate, support DHS efforts to focus finite resources on individuals who pose a danger to national security or a risk to public safety, and other high-priority cases. At the same time, the Budget significantly reduces inefficient 287(g) task force agreements, while supporting more cost-efficient initiatives like the Secure Communities program. Nationwide implementation of Secure Communities and other enforcement initiatives, coupled with continued collaboration with DOJ to focus resources on the detained docket, is expected to result in the continued increase in the identification and removal of criminal aliens and other priority individuals.

The Budget provides the resources needed to address this changing population, while continuing to support Alternatives to Detention, detention reform, and immigrant integration efforts. Resources are also focused on monitoring and compliance, promoting adherence to worksite-related laws, Form I-9 inspections, and enhancements to the E-Verify program.

*Secure Communities:* In FY 2013, the Department completed nationwide deployment of the Secure Communities program, which uses biometric information and services to identify and remove criminal and other priority aliens found in state prisons and local jails. Secure Communities is an important tool in ICE's efforts to focus its immigration enforcement resources on the highest-priority individuals who pose a threat to public safety or national security, and the Budget continues support of this program. ICE is committed to ensuring the Secure Communities program respects civil rights and civil liberties, and works closely with law enforcement agencies and stakeholders across the country to ensure the program operates in the most-effective manner possible. To this end, ICE has issued guidance regarding the exercise of prosecutorial discretion in appropriate cases, including in cases involving witnesses and victims of crime, implemented enhanced training for SLE regarding civil rights issues, and released new guidance that limits the use of detainers to the agency's enforcement priorities and restricts the use of detainers against individuals arrested for minor misdemeanor offenses such as traffic offenses and other petty crimes, among other recent improvements. The Budget also includes \$10 million for 73 ICE attorney positions that will continue prosecutorial discretion reviews of new cases to ensure that resources at the Executive Office for Immigration Review and ICE are focused on priority cases.

- *Immigration Detention:* Under this Administration, ICE has focused its immigration enforcement efforts on identifying and removing priority aliens, including criminals, repeat immigration law violators, and recent border entrants. As ICE focuses on criminal and other priority cases, the agency continues to work to reduce the time removable aliens spend in detention custody, going from 37 days in FY 2010 to fewer than 32 days in FY 2012. Consistent with its stated enforcement priorities and guidance to the field, ICE will continue to focus detention and removal resources on those individuals who have criminal convictions or fall under other priority categories. For low-risk individuals, ICE will work to enhance the effectiveness of Alternatives to Detention, which provides a lower per-day cost than detention. To ensure the most cost-effective use of federal resources, the Budget includes flexibility to transfer funding between immigration detention and the Alternatives to Detention program, commensurate with the level of risk a detainee presents.
- *287(g) Program:* The Budget reflects the cancelation of inefficient task force officer model agreements, reducing the cost of the 287(g) program by \$44 million. The 287(g) jail model agreements, as well as programs such as Secure Communities, have proven to be more efficient and effective in identifying and removing criminal and other priority aliens than the task force officer model agreements.
- *Detention Reform:* ICE will continue building on ongoing detention reform efforts in FY 2014. In FY 2013, ICE implemented its new Risk Classification Assessment nationwide to improve transparency and uniformity in detention custody and classification decisions and to promote identification of vulnerable populations. ICE will continue to work with DOJ to reduce the average length of stay in detention by working to secure orders of removal before the release of criminal aliens from DOJ custody. In addition, ICE will continue implementation of the new transfer directive, which is designed to minimize long-distance transfers of detainees within ICE's detention system, especially for those detainees with family members in the area, local attorneys, or pending immigration proceedings. ICE will also continue implementation of revised national detention standards designed to maximize access to counsel, visitation, and quality medical and mental health care in additional facilities. Finally, DHS anticipates that the rulemaking applying the Prison Rape Elimination Act to DHS confinement facilities will be finalized in FY 2013 and implemented in FY 2013 and FY 2014.
- *Worksite Enforcement:* Requested funds will continue the Department's focus to promote compliance with worksite-related laws through criminal prosecutions of egregious employers, Form I-9 inspections, civil fines, and debarment, as well as education and compliance tools.

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- *E-Verify*: The Budget provides \$114 million to support the continued expansion and enhancement of E-Verify, the Administration's electronic employment eligibility verification system. This funding will also continue support for the expansion of the E-Verify Self-Check program, a voluntary, free, fast, and secure online service that allows individuals in the United States to confirm the accuracy of government records related to their employment eligibility status before formally seeking employment. These enhancements will give individuals unprecedented control over how their social security numbers are used in E-Verify and will further strengthen DHS's ability to identify and prevent identity fraud. In FY 2014, U.S. Citizenship and Immigration Services (USCIS) also plans to phase in an enhanced enrollment process for E-Verify that reduces the enrollment burden on the employer and the Federal Government, and that will provide more-detailed user information for compliance assistance activities. Additionally, USCIS will finalize the requirements for the electronic I-9 and its supporting processes for E-Verify. These enhancements will deploy in phases in FY 2014 and subsequent years.
- *Verification Information System (VIS)*: The Budget includes \$12 million to fund the VIS Modernization initiative, a major redesign of the system that supports E-Verify that will transform the current E-Verify system, and improve usability and overall ease of operations.
- *Immigrant Integration*: The Budget includes \$10 million to continue support for USCIS immigrant integration efforts—a key element of the President's immigration principles—through funding of citizenship and integration program activities including competitive grants to local immigrant-serving organizations to strengthen citizenship preparation programs for permanent residents.
- *Systematic Alien Verification for Entitlements (SAVE)*: The FY 2014 Budget continues support for USCIS SAVE operations and enhancements to assist local, state, and federal agencies in determining the immigration status of benefit applicants. This effort is funded through the Immigration Examinations Fee Account.
- *USCIS Business Transformation*: The Budget continues the multiyear effort to transform USCIS from a paper-based filing system to a customer-focused electronic filing system. This effort is funded through the Immigration Examinations Fee Account. In FY 2013, USCIS will deploy additional functionality into the agency's Electronic Immigration System (ELIS) to allow processing of 1 million customer requests annually. USCIS is committed to adding functionality and benefit types until all workload is processed through ELIS.

#### **Safeguarding and Securing Cyberspace**

The Budget supports initiatives to secure our Nation's information and financial systems and to defend against cyber threats to private-sector and federal systems, the Nation's critical infrastructure, and the U.S. economy. It also supports the President's executive order on improving critical infrastructure cybersecurity and the presidential policy directive on critical infrastructure security and resilience. Taken together, the Administration's initiatives strengthen the security and resilience of critical infrastructure against evolving threats through an updated and overarching national framework that acknowledges the linkage between cybersecurity and securing physical assets.

Included in the FY 2014 Budget are enhancements to the National Cybersecurity Protection System (NCPS) to prevent and detect intrusions on government computer systems, and to the National Cybersecurity and Communications Integration Center to protect against and respond to cybersecurity threats. The Budget also leverages a new operational partnership between ICE and USSS through the established network of USSS ECTFs to safeguard the Nation's financial payment systems, combat cybercrimes, target transnational child exploitation including large-scale producers and distributors of child pornography, and prevent attacks against U.S. critical infrastructure.

- *Federal Network Security*: \$200 million is included for Federal Network Security, which manages activities designed to enable federal agencies to secure their IT networks. The Budget provides funding to further reduce risk in the federal cyber domain by enabling continuous monitoring and diagnostics of networks in support of mitigation activities designed to strengthen the operational security posture of federal civilian networks. DHS will directly support federal civilian departments and agencies in developing capabilities to improve their cybersecurity posture and to better thwart advanced, persistent cyber threats that are emerging in a dynamic threat environment.
- *NCPS*: \$406 million is included for Network Security Deployment, which manages NCPS, operationally known as EINSTEIN. NCPS is an integrated intrusion detection, analytics, information-sharing, and intrusion-prevention system that supports DHS responsibilities to defend federal civilian networks.
- *US-Computer Emergency Readiness Team (US-CERT)*: \$102 million is included for operations of US-CERT, which leads and coordinates efforts to improve the Nation's cybersecurity posture, promotes cyber information sharing, and manages cyber risks to the Nation. US-CERT encompasses the activities that provide immediate customer support and incident response, including 24-hour support in the National Cybersecurity and Communications Integration Center. As more federal network traffic is covered by NCPS, additional US-CERT analysts are required to ensure cyber threats are detected and the federal response is effective.
- *SLTT Engagement*: In FY 2014, DHS will expand its support to the Multi-State Information Sharing and Analysis Center (MS-ISAC) to assist in providing coverage for all 50 states and 6 U.S. territories in its managed security services program. MS-ISAC is a central entity through which SLTT governments can strengthen their security posture through network defense services and receive early warnings of cyber threats. In addition, the MS-ISAC shares cybersecurity incident information, trends, and other analysis for security planning.
- *Cybersecurity R&D*: The FY 2014 Budget includes \$70 million for S&T's R&D focused on strengthening the Nation's cybersecurity capabilities.
- *Cyber Investigations*: The FY 2014 Budget continues to support ICE and USSS efforts to provide computer forensics support and training for investigations into domestic and international criminal activities, including computer fraud, network intrusions, financial crimes, access device fraud, bank fraud, identity crimes and telecommunications fraud, benefits fraud, arms and strategic technology, money laundering, counterfeit pharmaceuticals, child pornography, and human trafficking occurring on or through the Internet. USSS ECTFs will also continue to focus on the prevention of cyber attacks against U.S. financial payment systems and critical infrastructure.

**Ensuring Resilience to Disasters**

The Department's efforts to build a ready and resilient Nation focuses on a whole community approach to emergency management by engaging partners at all levels to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards. In the event of a terrorist attack, natural disaster, or other large-scale emergency, DHS provides the coordinated, comprehensive federal response while working with federal, state, local, and private-sector partners to ensure a swift and effective recovery effort.

To support the objectives of the National Preparedness Goal (NPG) and to leverage limited grant funding in the current fiscal environment, the Administration is again proposing the NPGP to create a robust national response capacity based on cross-jurisdictional and readily deployable state and local assets, with appropriate adjustments to respond to stakeholder feedback received in 2012. While providing a structure that will give grantees more certainty about how funding will flow, the proposal continues to utilize a comprehensive process for assessing regional and national gaps, identifying and prioritizing deployable capabilities, and requiring grantees to regularly report progress in the acquisition and development of these capabilities.

The Budget also funds initiatives associated with the NPG; FEMA's continued development of catastrophic plans, which include regional plans for response to earthquakes and hurricanes and medical countermeasure dispensing; and training for 2 million emergency managers and first responders.

*State and Local Grants:* The Budget includes \$2.1 billion for state and local grants, consistent with the amount appropriated by Congress in FY 2012. This funding will sustain resources for fire and emergency management programs while consolidating all other grants into the new, streamlined NPGP. In FY 2014, the NPGP will:

- Focus on the development and sustainment of core national emergency management and homeland security capabilities.
- Utilize gap analyses to determine asset and resource deficiencies and inform the development of new capabilities through a competitive process.
- Build a robust national response capacity based on cross-jurisdictional and readily deployable state and local assets.

Using a competitive, risk-based model, the NPGP will use a comprehensive process for identifying and prioritizing deployable capabilities, limit periods of performance to put funding to work quickly, and require grantees to regularly report progress in the acquisition and development of these capabilities.

- *Firefighter Assistance Grants:* The Budget provides \$670 million for Firefighter Assistance Grants. Included in the amount is \$335 million for Staffing for Adequate Fire and Emergency Response (SAFER) Grants to retain and hire firefighters and first responders, and \$335 million for Assistance to Firefighter Grants, of which \$20 million is provided for Fire Prevention and Safety Grants. The Administration re-proposes \$1 billion for SAFER grants as part of the First Responder Stabilization Fund, which was originally proposed in the American Jobs Act.
- *Emergency Management Performance Grants (EMPGs):* Also included in the Budget is \$350 million to support emergency managers and emergency management offices in every state across the country. EMPG supports state and local governments in developing and sustaining the core capabilities identified in the NPG and achieving measurable results in key functional areas of emergency management.
- *DRF:* A total of \$6.2 billion is provided for the DRF. Of this, \$586 million is included in the Department's base budget with the remainder provided through the Budget Control Act budget cap adjustment. The DRF provides a significant portion of the total federal response to victims in presidentially declared disasters or emergencies. Because of recently passed legislation, Native American tribes can now request presidential major or emergency declarations. Two tribes, the Eastern Band of Cherokee Indians and the Navajo Nation, have already received declarations in 2013.
- *National Flood Insurance Program (NFIP):* The NFIP is fully funded by policy fees. This program helps to reduce the risk of flood damage to existing buildings and infrastructure by providing flood-related grants to states, communities, and tribal nations. The FY 2014 Budget reflects implementation of the Biggert-Waters Flood Insurance Reform Act of 2012. The Act improves fiscal soundness by phasing out subsidies for structures built before their flood risk was identified on a Flood Insurance Rate Map. In addition, the Act establishes a reserve fund to be used for the payment of claims and claims-handling expenses as well as principal and interest payments on any outstanding Treasury loans. The Budget includes a \$3.5 billion mandatory budget authority, of which \$100 million will be used for three interrelated mitigation grant programs to increase America's resiliency to floods.
- *Training/Exercises:* The Budget includes \$165 million for training and exercise activities to support federal, state, and local officials and first responders. In FY 2014, the Department expects to train more than 2 million first responders and, under the revised National Exercise Program, will conduct more than a dozen exercises across the country to help improve national preparedness. The Budget also supports conducting a Spill of National Significance exercise, and continues development of equipment and techniques that can be used to detect, track, and recover oil in ice-filled waters.
- *Emergency Management Oversight:* The Budget includes \$24 million in base resources for the Office of the Inspector General to continue its Emergency Management Oversight operations.
- *Incident Management:* The Budget enables the Coast Guard to achieve Full Operational Capability for the Incident Management Assist Team, providing an immediate, highly proficient, and deployable surge capacity to Incident Commanders nationwide for response to threats and other disasters.

**Maturing and Strengthening the Department and the Homeland Security Enterprise**

*St. Elizabeths Campus:* The Budget includes \$92.7 million to support construction at the St. Elizabeths Campus. Currently, the Department's facilities are scattered in more than 50 locations throughout the National Capital Region, affecting critical communication and coordination across DHS Components. USCG will move to St. Elizabeths in FY 2013. To support the incident management and

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command-and-control requirements of our mission, the Department will continue development of the DHS Consolidated Headquarters at St. Elizabeths Campus. The requested funding will support Phase 2 renovation of the Center Building Complex for the Secretary's Office and key headquarters functions for command, control, and management of the Department.

*Data Center Consolidation:* The FY 2014 Budget includes \$54.2 million for data center consolidation funding, which will be used to migrate FEMA, USCIS, TSA, and CBP to the enterprise data centers. A recent study performed by the Department's Office of the Chief Financial Officer analyzed 10 of the first completed migrations to enterprise data centers and determined that an average savings of 14 percent, about \$17.4 million in annual savings, had been achieved.

## Conclusion

The FY 2014 budget proposal reflects this Administration's strong commitment to protecting the homeland and the American people through the effective and efficient use of DHS resources. As outlined in my testimony today, we will continue to preserve core frontline priorities across the Department by cutting costs, sharing resources across Components, and streamlining operations wherever possible.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the Department's FY 2014 Budget Request and other homeland security issues.

*Review Date: April 19, 2013*